



January 16, 2002

## SENATE BILL No. 79

DIGEST OF SB 79 (Updated January 14, 2002 1:23 PM - DI 52)

**Citations Affected:** IC 24-4.6.

**Synopsis:** Septic system disclosure in residential sale. Imposes a duty on the owner of residential real estate, through the Indiana real estate commission's sales disclosure form, to make a disclosure if the owner has actual knowledge that an expansion of the septic system required by the state department of health based on substantial alterations or additions to the residence has not been completed.

**Effective:** July 1, 2002.

**Simpson**

January 7, 2002, read first time and referred to Committee on Environmental Affairs.  
January 15, 2002, amended, reported favorably — Do Pass.

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SB 79—LS 6174/DI 52+



January 16, 2002

Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

## SENATE BILL No. 79

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A BILL FOR AN ACT to amend the Indiana Code concerning trade regulations; consumer sales and credit.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 24-4.6-2-7 IS AMENDED TO READ AS  
2       FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 7. The Indiana real  
3       estate commission established by IC 25-34.1-2-1 shall adopt a specific  
4       disclosure form that contains the following:

5       (1) Disclosure by the owner of the known condition of the  
6       following areas:

7       (A) The foundation.

8       (B) The mechanical systems.

9       (C) The roof.

10       (D) The structure.

11       (E) The water and sewer systems.

12       (F) Other areas that the Indiana real estate commission  
13       determines are appropriate.

14       (2) A notice to the prospective buyer that contains substantially  
15       the following language:

16       "The prospective buyer and the owner may wish to obtain  
17       professional advice or inspections of the property and provide for

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1 appropriate provisions in a contract between them concerning any  
2 advice, inspections, defects, or warranties obtained on the  
3 property."

4 (3) A notice to the prospective buyer that contains substantially  
5 the following language:

6 "The representations in this form are the representations of the  
7 owner and are not the representations of the agent, if any. This  
8 information is for disclosure only and is not intended to be a part  
9 of any contract between the buyer and owner."

10 (4) A disclosure by the owner that an airport is located within a  
11 geographical distance from the property as determined by the  
12 Indiana real estate commission. The commission may consider the  
13 differences between an airport serving commercial airlines and an  
14 airport that does not serve commercial airlines in determining the  
15 distance to be disclosed.

16 **(5) A disclosure by the owner, based on the owner's current  
17 actual knowledge, that:**

18 **(A) substantial alterations or additions have been made to**  
19 **the residence for which the state department of health**  
20 **would have required an expansion of the residential**  
21 **sewage disposal system; and**

22 **(B) the expansion described in clause (A) has not been**  
23 **completed.**

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## COMMITTEE REPORT

Mr. President: The Senate Committee on Environmental Affairs, to which was referred Senate Bill No. 79, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, delete lines 16 through 28, begin a new line block indented and insert:

**"(5) A disclosure by the owner, based on the owner's current actual knowledge, that:**

**(A) substantial alterations or additions have been made to the residence for which the state department of health would have required an expansion of the residential sewage disposal system; and**

**(B) the expansion described in clause (A) has not been completed."**

and when so amended that said bill do pass.

(Reference is to SB 79 as introduced.)

GARD, Chairperson

Committee Vote: Yeas 9, Nays 0.

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